## Small and Simple Projects Fund and Large Projects Fund

http://www.seattle.gov/neighborhoods

### What Is the Neighborhood Matching Fund?

The Neighborhood Matching Fund supports local grassroots action in neighborhoods. It is a resource available to neighborhood groups interested in doing projects that address a specific community need *and* that also build community. Neighborhoodbased groups can apply for and receive funds to carry out neighborhood-initiated planning, organizing, or improvement projects in partnership with the City of Seattle. Neighborhood Matching Fund dollars are matched by the community's contribution of volunteer labor, donated materials, supplies, services, or cash.

## The Two Funds: Small and Simple Projects Fund

- Applications accepted 4 times a year
- Applications reviewed by rotating team of Department of Neighborhoods staff
- Notice of award within 5 weeks
- Awards of up to \$15,000
- Projects must be completed within six months of contracting

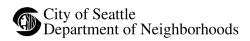
### **Large Projects Fund**

- Applications accepted at least once a year
- Applications reviewed by citizens on District Councils and a Citywide Review Team
- Notice of award within 3 months
- Awards over \$15,000 up to \$100,000
- Projects must be completed within one year of contracting

## Who Can Apply? Applications are accepted from:

- Neighborhood-based organizations of residents or businesses.
- Local, community-based organizations that advocate for the interests of people of color.
- Ad-hoc groups of neighbors who form a committee solely for the purpose of a specific project.

The applicant group must have an open membership and must actively seek involvement from area residents and/or businesses.



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#### **Awards are NOT made to:**

- Individual persons or individual businesses.
- Religious organizations, government agencies, political groups, district councils, citywide organizations, universities, hospitals, newspapers, non-local organizations.
- Applicants who have failed to successfully carry out projects funded in the two preceding years.

## **What Kinds of Projects Are Funded?**

### To be considered for funding, a project must:

- Provide a public benefit, resulting in a product that benefits a neighborhood.
- Emphasize neighborhood self-help; involve neighborhood people in the planning and implementation of the project.

#### **NOT** eligible for funding are projects that:

- Duplicate an existing private or public program.
- Provide ongoing services. The Fund cannot pay for ongoing operating budgets.
- Conflict with existing City policy.

#### **Budget items NOT eligible for funding:**

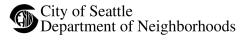
- Food. (However, you can use food expenses or donations as match.)
- Out Of City travel expenses.
- Expenditures or financial commitments made before a Neighborhood Matching Fund contract is signed by all parties.

### **Project Types**

1. Neighborhood Planning and/or Design Project -

Produce a plan, design, or report outlining specific actions that will serve as a guide for future action in or changes to your neighborhood.

**2. Neighborhood Organizing Project** — Create, diversify, or enlarge the membership of a multi-issue neighborhood organization in a low-income neighborhood.



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- **3. Neighborhood Physical Improvement Project** Build or enhance a physical improvement in your neighborhood.
- **4. Neighborhood Non-Physical Improvement Project** A community building activity or event such as a festival or celebration, a training session, an educational campaign, a computer literacy pilot program, or a workshop. A festival or celebration will only be funded one time. However, if a new community building component is proposed as part of the festival or celebration, then an award for the new component will be given consideration.
- **5. Public School Partnership Project** Pilot or start-up program that directly benefits a public school and the immediate neighborhood.

### **How Will Your Application Be Reviewed?**

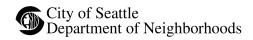
Neighborhood Matching Fund applications are reviewed in the following manner:

#### **Small and Simple Projects Fund**

- Applications are read and rated by a rotating team of Department of Neighborhoods staff (at least 3 members) read and rate each project.
- A team presents its funding recommendations to Department of Neighborhoods management staff.
- Final award decisions are made by the Department director.

#### **Large Projects Fund**

- Applications are read and rated by two citizen bodies, the District Council and a Citywide Review Team. District councils only read/ rate projects from their district; the Citywide Review Team reviews and rates all applications.
- District Council and Citywide Review Team ratings are averaged to arrive at an application's "final score."
- The Citywide Review Team prepares award recommendations which are forwarded to the Major and City Council for final approval.



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#### **How Will Your Application be Rated?**

All Neighborhood Matching Fund applications are rated using the following criteria. As you plan your project and write your application, keep these criteria in mind and be sure the application addresses each of them.

#### **Community Benefit**

1. Project proposes a good approach to a neighborhood problem; it addresses a clear and pressing need.

(0 to 10 points)

2. Project activities "build community"; i.e. create stronger bonds between neighbors and greater connections in the community.

(0 to 15 points)

#### **Participation**

1. Project includes opportunities to involve neighbors in shaping and carrying out the project.

(0 to 10 points)

2. Project promotes interaction of diverse parts of the community (e.g., renters/ owners, business/residents, intergenerational pairings, different abilities, or different racial and ethnic groups.)

(0 to 15 points)

#### **Project Feasibility**

1. Proposed project is well planned and ready for implementation.

(0 to 15 points)

2. Budget reliably represents the project's expenses and revenue.

(0 to 10 points)

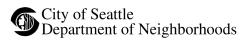
#### Match

1. Match is realistic and appropriate to the project.

(0 to 15 points)

2. Neighborhood match is documented.

(0 to 10 points)



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### **Match Requirements**

For every dollar requested from the City, the community must provide at least a dollar of match, in the form of cash, donated professional services or materials, or volunteer labor. Applicants should be sure to keep records of all match expended.

Documenting match is very important and match pledge forms should be submitted with the application.

#### Following are requirements for eligible match.

- The total value of the match must equal or exceed the dollar amount requested from the Neighborhood Matching Fund. There are two exceptions: planning projects including design, and neighborhood organizing projects require match that equals or exceeds half the dollar amount requested from the Fund.
- The amount and type of match must be appropriate to the needs of the proposed project. The applicant must be prepared to justify that each element of the match, in the amount proposed, is required to complete the proposed project.
- At least 25% of the neighborhood's match must come from the neighborhood itself rather than from foundations, the County, School District, State, or other entities.
- All volunteer labor is valued at \$12 an hour.
- Professional services are valued at the reasonable and customary retail value of the product or service.
- Projects may start counting match as soon as the application is submitted and, if an award is made, continue documenting expended match throughout the contract period. All match must be directly related to planning and implementation of the project.
- Physical design planning may count toward match although it is often expended before the awarded project is implemented. Community volunteer time directly related to developing the design can be counted toward match if it is generated in the six month period prior to the application deadline and is documented with volunteer timesheets.

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- Volunteer time spent on fundraising for a Large Projects Fund project may count as match, but only when it occurs during the six months following the final application date to the Large Projects Fund. This volunteer fundraising time can include grant writing, direct fundraising appeals to individuals, or donated services such as printing and graphics for a fundraising brochure. Neighborhood fundraising time is valued at \$12 an hour, even if the volunteer is a professional fundraiser.
- Funds from other City of Seattle sources cannot be counted as match. City of Seattle Community Development Block Grant (CDBG), Pro-Parks, and Community Center levy funds, as well as City staff services, are included in this prohibition.

### **Match Tips**

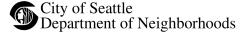
The best way to start thinking about match is to list all the resources needed to complete the project and then identify which items can be found in the neighborhood. **Documenting match is a very important part of the application.** 

**Volunteer labor** is the resource most readily gained by neighborhood organizations. However, securing volunteer pledges can be time-consuming. It is important to make this investment early in your project so that you can rely on those volunteers as your project moves forward.

Volunteer pledge sheets, either in the form of a log signed by many future volunteers or individual pledge forms, should list each donor's name, the number of hours pledged, address and phone, and the type of job they will do. All pledge sheets should be attached to the application. Volunteer hours pledged to fundraising should specify tasks to be accomplished and those tasks should relate to items included in the project's fundraising plan.

Early on in developing a project, the applicant should discuss potential volunteer activities with the property owner. A property owner may require some elements of the work to be completed by skilled professionals.

Volunteer time spent planning and putting together the application to the



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Neighborhood Matching Fund or the presentations before the review teams is NOT eligible as match. The one exception to this rule is an allowance for reimbursing up to 10 hours of application preparation time for a Small and Simple Projects Fund application.

**Professional services** can be an important part of the match so long as the services provided are necessary to the project and valued in proportion to the needs of the project. Applicants should decide early on whether professional services will be donated or paid for with the award. An individual who will be paid for services cannot also pledge volunteer time to be budgeted as match.

The donors of professional services must document the hourly value of their services on professional letterhead. The Neighborhood Matching Fund will recognize the value of professional services at their customary rates.

**Donated materials or supplies** are valued at their retail price. Borrowed equipment can also be considered as part of the match and valued at the standard rental fee. Here as well, the donor must provide documentation of the value and quantity of the match.

**Cash** is probably the easiest match to use and to document. An organization that plans to raise cash match should attach a detailed fundraising plan with the application. The fundraising plan should specify fundraising activities, including how much money is expected from each activity, when each activity will occur, and which grantmakers will be applied to. The fundraising plan should demonstrate to reviewers that the applicant has planned and will manage this aspect of the project so as to raise adequate funds within the six months after the application is submitted.

Cash donations may be secured with a written pledge signed by the donor rather than collecting the cash up front.

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### **Some Points about Public Funding**

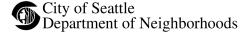
If your project receives a Neighborhood Matching Fund award, you will encounter certain conditions that are attendant on public funding. Knowing a little about those conditions now will help you plan your budget and your timeline.

**Contracts:** Award recipients get their money by means of a written contract between the applicant group and the City. There may also be a third party: the organization's fiscal sponsor (see explanation below). This contract explains the terms and methods of getting the money, based on the budget and workplan you propose in your application. In every case, the money is provided to you in installments: as you incur costs, you bill us for the money; we send a check for the amount you claim; then you pay all your vendors.

You cannot begin to incur costs to be paid by the Neighborhood Matching Fund before having a contract with the Department of Neighborhoods.

Included with the invoice you send, you report to us on the match you have expended and on the project's progress. This recordkeeping is key to the project. Even if you have a fiscal sponsor handling the money, your group will have plenty of other project management records to keep. (If a volunteer handles this, remember to consider that recordkeeping as a match item.) Figure three to ten hours a month depending on how big your project is and how much of the work is done by your fiscal sponsor.

**Fiscal Sponsor:** Handling money, bookkeeping, and bill paying is easy for some and a nightmare for others. It is your choice whether to use a fiscal sponsor: the City does not require you to use another organization. But, especially if your organization does not have experience handling as much money as your project involves, you should carefully consider the advisability of using a fiscal sponsor. If you decide early in your planning process to use a fiscal sponsor, you can budget for that expense. Typically, fiscal sponsors charge as their fee 3% to 10% of the money they handle.



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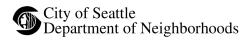
An organization does not need 501(c)3 status — that is, an IRS-recognized private, nonprofit charitable organization— to receive City funding. However, donors cannot claim tax benefit for their donations to you unless you are, or are affiliated with, a 501(c) 3. Foundations can make gifts only to 501(c) 3 organizations. Becoming a 501(c) 3 requires an IRS filing process, a fee, and a long wait, maybe a year, before you get your determination.

It isn't difficult to find a fiscal sponsor for your project's award: it can be a community-based nonprofit, a small or large business, or virtually anyone reliable and able and willing to monitor your progress and to report to the IRS at the end of the year for you on the disposition of funds. The Department of Neighborhoods can suggest organizations that have effectively served this function for other groups. It makes sense to choose an IRS-recognized nonprofit 501(c)3 as your fiscal sponsor if you plan to do significant fundraising.

The fiscal sponsor usually handles only the cash and not other kinds of donations to your project. You will still be held responsible for tracking and reporting on volunteer time and other donations. If you keep track of the donations effectively, the fiscal sponsor will have an easy time invoicing the City. The fiscal sponsor will probably want to be assured of your abilities to keep up your end of the deal.

If you want to be your own fiscal sponsor, the Department of Neighborhoods can help you set up simple recordkeeping systems and acquire an IRS Employer Identification Number. You will need to bill the City promptly to keep up your cash flow. You will need to make annual reports to the IRS about disposition of the money you have received. If you hire staff rather than consultants, you will need to operate a payroll and pay payroll taxes.

**Insurance:** If your project is funded, the City will provide insurance to cover the volunteers while they are at work on your project. However, you will be asked to purchase Commercial General Liability insurance for your project if there is considered to be risk, to limit the liability of your organization as well as the City. Depending on the project's scope and your organization's experience in purchasing insurance, you can expect the price to range from \$300 to \$1,000.



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**Competitive Bid:** The City is concerned that you give ample opportunity to a broad set of businesses to bid on the work you are generating. The City encourages opening that opportunity to women- and minority-owned businesses. It is important that you keep an open mind about which stores you purchase from and which consultants and contractors you hire. If you wish to secure consultant services, you must solicit at least three responses to a written scope of work. If the consultant is to receive more than \$10,000 of City Funds, you must advertise for those services. Vendor or contractor services (such as printing, or construction work) of over \$5,000 must also be secured through an advertised, competitive process.

**Contingency:** All construction projects must include a contingency allowance in their budgets equaling 15% of all capital expenditures. If you hit any unexpected problems, and chances are you will, you will have some fallback money, but there will be no other funding from the City to address cost overruns.

### **Steps in Developing a Project**

## 1. Select a Project in Conjunction with the Neighborhood and Build Neighborhood Support.

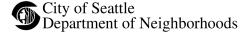
Choose a project that will generate as much community support as possible and that addresses a known problem or concern. Talk about the project with neighbors and with neighborhood organizations to build as much local support as possible. That support is crucial to the success of your application and your project.

### 2. Gain Site Control and City Advice.

If your project involves use of or changes to property that your organization does not own, you must get written permission from the owner, e.g., Seattle School District, Seattle Parks and Recreation, Seattle Department of Transportation, or private property owner. Contact Neighborhood Matching Fund staff to get help developing your project idea and application.

#### 3. Develop the Project's Scope.

Begin your work plan with simple goals and objectives. List the activities needed to



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accomplish your goals. Some initial research may be needed at this stage to get a handle on the steps involved. You may be able to consult with another neighborhood group that has done a similar project. Do any members of your group have professional experience that could be helpful? Does someone at the City know about this kind of project?

#### 4. Determine Resources Needed.

Resources you will probably need include expertise, equipment, supplies, postage, volunteers and services. You may also need liability insurance, permit fees, maps and technical studies, fiscal sponsor fees, construction management, and information about competitive bidding requirements. If you expect a City department to participate in your project by providing a service, be aware that there may be costs associated with that service. Your list will become a first draft of the detailed budget required in the Neighborhood Matching Fund application.

### 5. Develop a Project Budget.

After you list needed resources, you will need to estimate costs in order to do a budget. To ensure greater accuracy in your budget, get cost estimates for each budget item from more than one reliable source. Keep careful notes of all conversations with vendors or contractors which involve estimates. Those notes will be helpful to you later when you select contractors.

#### 6. Determine the Match.

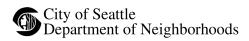
See "Match Requirements," pages 3-5.

#### 7. Research Regulations.

Many projects need permits, insurance, or design review before proceeding. Find out what regulations and permits apply to your project.

## 8. And keep in mind these suggestions to help you submit a competitive application...

Review all application requirements before you start. Contact Neighborhood



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Matching Fund staff: they can help make sure your application is competitive and complete.

- Plan for community participation before you develop the application. This will build support for your project and may avoid problems later on in the process.
- Create a timeline, starting with the application's due date and working backward. Allow adequate time to publicize community participation events.
- You must use the budget forms provided in the application or replicate them exactly. You may ask for the application form in a digital format (or download it from: <a href="www.seattle.gov/neighborhoods">www.seattle.gov/neighborhoods</a> on the Web. However, only printed-out paper copies with attachments and original signature will be accepted.
- Do not assume that reviewers are familiar with your community. Back up what you write with documentation and relevant data. Clearly describe the public benefit and neighborhood participation process used to develop your proposal.
- To have an effective project and a competitive application, neighborhood participation should involve a broad range of citizens, including representatives from many sectors of the neighborhood. Your application should clearly show how your project is encouraging broad-based participation that results in "building community."
- Consider maintenance for any types of capital improvement project. Who will
  water the garden, weed the planting, take care of cleaning a mural that gets
  graffittied, etc. Most types of capital projects require a written maintenance plan
  developed by the community and in consultation with the property owner. Further,
  if a project results in increased maintenance costs, your organization and the
  property owner should decide how those costs will be covered.
- A complete application includes: any necessary attachments in 8½ x 11 format; and an original application and required copies signed by the chair of the organization. Late applications will not be accepted.